

REFERENCE TITLE: **accountancy board; CPA registration**

State of Arizona
Senate
Forty-ninth Legislature
First Regular Session
2009

SB 1308

Introduced by
Senator Leff; Representative Reagan

AN ACT

**AMENDING SECTIONS 32-702 AND 32-730, ARIZONA REVISED STATUTES; RELATING TO
CERTIFIED PUBLIC ACCOUNTANTS.**

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 32-702, Arizona Revised Statutes, is amended to
3 read:

4 32-702. Arizona state board of accountancy; membership;
5 administrative duties; compensation

6 A. The Arizona state board of accountancy is established to administer
7 and enforce this chapter.

8 B. The board consists of seven members who are residents of this state
9 and who are appointed by the governor as follows:

10 1. Five members who currently hold valid certificates issued pursuant
11 to this chapter. At least three of these members must be in active public
12 practice as certified public accountants. No more than one of these members
13 may be from the same firm. If a member's certificate is on probation,
14 revoked or suspended, the member's appointment automatically terminates and
15 the position becomes vacant.

16 2. Two public members who do not hold a certificate issued pursuant to
17 this chapter but who have professional or practical experience in using
18 accounting services and financial statements and who are qualified to make
19 judgments about the qualifications and conduct of persons and firms subject
20 to this chapter.

21 C. The term of office of members of the board is five years, beginning
22 and ending on July 3, except that the governor may remove any member for
23 neglect of duty or other just cause. The governor shall fill vacancies by
24 appointment for the unexpired term. A person who has served a complete term
25 is not eligible for reappointment for a period of one year.

26 D. The board shall annually elect a president, secretary and treasurer
27 from among its members. The president, secretary or treasurer may sign and
28 approve claims filed against the board of accountancy fund to pay expenses
29 incurred under this chapter.

30 E. The board shall have a seal that shall be judicially noticed.

31 F. The board shall retain or provide for retention of the following
32 according to its retention schedule pursuant to section 41-1351:

33 1. All documents under oath that are filed with the board.

34 2. Records of its proceedings.

35 G. Each member of the board **OR MEMBER OF A COMMITTEE APPOINTED BY THE**
36 **BOARD** is eligible for compensation of one hundred dollars for each day or
37 part of a day spent, plus reimbursement for the member's actual and necessary
38 expenses incurred, in discharging the member's official duties.

39 Sec. 2. Section 32-730, Arizona Revised Statutes, is amended to read:

40 32-730. Biennial registration; continuing education; inactive
41 certificates; cancellation

42 A. Except as provided in subsection C of this section and in section
43 32-4301, the board shall biennially require every certified public
44 accountant, public accountant and firm to register with the board and pay a
45 registration fee of not less than one hundred nor more than three hundred

1 dollars during the month of the anniversary of the registrant's birth in the
2 case of an individual or, in the case of a registered firm, during the month
3 of the anniversary of the effective date of the firm's formation. In the
4 administration of this section, registrants for less than two years shall be
5 charged on a pro rata basis for the remainder of the registration period.

6 B. A certified public accountant or public accountant who is not
7 actively engaged in the practice of accounting may request that the
8 individual's certificate be placed on inactive status by meeting the
9 requirements for inactive status and completing the forms prescribed by the
10 board. A certified public accountant or public accountant whose certificate
11 has been suspended by the board or against whom disciplinary proceedings have
12 been initiated may not place or maintain his certificate on inactive status.
13 A certified public accountant or public accountant who elects to place a
14 certificate on inactive status:

15 1. Shall continue to biennially register with the board and pay the
16 required fees.

17 2. Shall not engage in the practice of accounting for a fee or other
18 compensation while the individual remains on inactive status.

19 3. Shall not assume or use the title or designation of "certified
20 public accountant" or "public accountant" or the abbreviation "C.P.A.",
21 "CPA", "P.A." or "PA" while the person remains on inactive status.

22 C. The registration fee for certified public accountants and public
23 accountants may be reduced or waived by the board for registrants who are at
24 least sixty-five years of age or who have become disabled to a degree
25 precluding the continuance of their practice for six months or more prior to
26 the due date of any renewal fee.

27 D. At the time of registration, every certified public accountant and
28 public accountant shall as a prerequisite to biennial registration submit to
29 the board satisfactory proof, in a manner prescribed by the board, that the
30 registrant has completed the continuing education requirements established by
31 the board. The board may grant an exemption from continuing professional
32 education requirements for registrants on a demonstration of good cause as
33 determined by the board.

34 E. Except as otherwise provided in this chapter, a certified public
35 accountant or public accountant who elects to place a certificate on inactive
36 status may reactivate the certificate if the certificate has been inactive
37 for six years or less by doing all of the following:

38 1. Filing an application for renewal on the form prescribed by the
39 board and paying the applicable fees.

40 2. Submitting proof that the certified public accountant or public
41 accountant has satisfied continuing education requirements prescribed by the
42 board in its rules.

43 3. Affirming that the certified public accountant or public accountant
44 has not engaged in any conduct that would constitute grounds for revocation
45 or suspension of a certificate pursuant to section 32-741.

1 F. A registrant may reactivate an inactive certificate pursuant to
2 subsection E of this section only one time. Reactivation of an inactive
3 certificate pursuant to subsection E of this section is effective on the date
4 that the application for reactivation is approved by the board. A
5 certificate that is reactivated pursuant to subsection E of this section
6 continues in effect through the date prescribed in subsection A of this
7 section.

8 G. A certificate that has been inactive for more than six years
9 expires.

10 H. A certified public accountant or public accountant whose
11 certificate has expired or been canceled and who does not meet the good cause
12 requirements of section 32-741 may apply for and reactivate or reinstate the
13 certificate if the certified public accountant or public accountant meets all
14 of the following requirements:

15 1. Has not engaged in any conduct that would constitute grounds for
16 revocation or suspension of a certificate pursuant to section 32-741.

17 2. Pays all fees required of applicants for initial certification.

18 3. Takes and passes the examination required of applicants for initial
19 certification.

20 I. A certified public accountant or public accountant who is not
21 actively engaged in the practice of accounting [OR WHO QUALIFIES FOR LIMITED](#)
22 [RECIPROCITY PRIVILEGE PURSUANT TO SECTION 32-725](#) and who does not want to
23 renew or place the certificate on inactive status may request that the
24 certificate be canceled by submitting a written request on a form approved by
25 the board. This subsection does not apply if a complaint has been filed with
26 the board or disciplinary proceedings are pending against the certified
27 public accountant or public accountant.

28 J. Each firm established or maintained in this state for the purpose
29 of a certified public accountant or a public accountant to practice
30 accounting in this state shall register biennially under this chapter with
31 the board. The board shall not charge a fee for registration of additional
32 offices of the same firm or sole practitioner. The board shall prescribe by
33 rule the required registration procedures for this subsection.

34 K. A firm that is established or maintained in this state for the
35 purpose of a certified public accountant or a public accountant practicing
36 accounting in this state and that does not want to renew its registration may
37 cancel its registration by submitting a written request on a form approved by
38 the board. This subsection does not apply if a complaint has been filed with
39 the board or disciplinary proceedings are pending against the firm.